



EXPRESS MAIL

Terminal Tower  
P. O. Box 6419  
Cleveland, Ohio 44101  
216 623 2200

Ms. Agatha L. Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

12977  
RECORDATION NO. \_\_\_\_\_ Filed 1425

MAR 10 1981 -3 25 PM March 4, 1981

Attention: Ms. M. R. Lee, Room 2303  
Recordation Unit

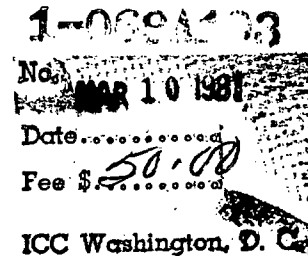
INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed are four executed counterparts of an Agreement dated March 2, 1981, between Kanawha-Ohio Corporation and The Chesapeake and Ohio Railway Company. This Agreement constitutes an interim user agreement, allowing use of the equipment described below pending completion of permanent financing. The names and addresses of the parties are as follows:

Bailor: Kanawha-Ohio Corporation  
P. O. Box 6419  
Cleveland, Ohio 44101

Bailee: The Chesapeake and Ohio Railway Company  
P. O. Box 6419  
Cleveland, Ohio 44101



The equipment covered by the above documents consists of 20 3000 H.P. Model B30-7 Locomotives, to bear Bailee's Road Nos. 8279-8313, inclusive, AAR Mechanical Designation: BB. The equipment will be marked "Chesapeake and Ohio Railway," "Chesapeake and Ohio," "C&O" or "Chessie System" or in some other appropriate manner and also will be marked "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION."

Also enclosed is a draft in the amount of \$50 representing the required recordation fee.

Pursuant to the Commission's rules and regulations for recordation of certain documents under 49 U.S.C. § 11303, you are hereby requested to file one of the enclosed counterparts for record in your office and return the remaining copies to me in the envelope provided. Please telephone me collect at (216) 623-2462, upon recordation of the enclosed documents so that delivery of the locomotives under the interim user agreement may begin immediately.

Very truly yours,

A handwritten signature in cursive script that reads "Louis Recher".

Louis Recher  
Attorney

Enclosures (4)



The Chessie System railroads are the C&O, B&O, WM and affiliated lines. Chessie System, Inc. is the parent for the railroads, Chessie Resources, Inc., Western Pocahontas Corp. and The Greenbrier.

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**Interstate Commerce Commission**  
Washington, D.C. 20423

3/11/81

OFFICE OF THE SECRETARY

**Louis Recher, Atty.  
Chessie System  
Terminal Tower  
P.O.Box 6419  
Cleveland, Ohio 44101**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/10/81** at **3:25pm**, and assigned re-recording number(s). **12977**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

EXECUTED IN 4

DE WHICH THIS IS 1

RECORDATION NO. 12977  
Filed 1425

MAR 10 1981 -3 25 PM

INTERIM USER AGREEMENT

INTERSTATE COMMERCE COMMISSION

Dated as of March 2, 1981

between

KANAWHA-OHIO CORPORATION

and

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

Covering

Twenty 3000 H.P. Model B30-7 Locomotives

THIS AGREEMENT, dated as of March 2, 1981, between KANAWHA-OHIO CORPORATION, a Delaware corporation (K-O), and THE CHESAPEAKE AND OHIO RAILWAY COMPANY, a Virginia corporation (C&O):

WITNESSETH:

K-O and C&O heretofore entered into a Purchase Agreement dated as of March 2, 1981 (which Purchase Agreement is made a part hereof by reference), and such addenda thereto and modifications thereof as may have been made or may be agreed upon in writing between K-O and C&O, whereunder K-O agreed (among other things) to sell and to deliver to C&O at Erie, Pennsylvania, and C&O agreed to accept and to pay for, twenty 3000 H.P. Model B30-7 Locomotives (Locomotives), to bear C&O road numbers 8279-8313, inclusive.

As contemplated by said Purchase Agreement, C&O intends to finance the purchase of the Locomotives from K-O pursuant to an Equipment Trust Agreement to be dated as of March 1, 1981, but deliveries of the Locomotives are scheduled to begin on or about March 14, 1981, and C&O will not have completed said financing arrangement by that time. C&O represents that such financing arrangement will be established, however, on or before June 30, 1981. C&O, in order that it may use the Locomotives pending establishment of such financing arrangement, desires to have temporary custody and possession of the Locomotives upon their delivery, solely as a bailee of the Locomotives, and K-O is willing to grant such temporary custody and possession to C&O upon the terms and conditions hereinafter stated.

In consideration of the premises, K-O hereby delivers to C&O and C&O hereby accepts from K-O the Locomotives as of the date each of them is delivered to C&O at Erie, Pennsylvania, or such other point or points as may be directed by C&O for the period ending on the earlier of June 30, 1981, or the date of establishment of said financing

arrangement. On such termination date, this Agreement shall automatically be cancelled and superseded without further action by or notice to any party concerned.

Upon delivery of each Locomotive, C&O's representative shall execute a certificate of acceptance acknowledging the receipt of delivery of each such Locomotive under this Agreement. Title to the Locomotives shall remain in K-O and C&O's rights and interests therein are and shall be solely that of possession, custody and use as bailee under this Agreement. Transfer of title shall be effected only at the time of delivery of bills of sale. C&O shall, without expense to K-O, promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, C&O shall do such other acts as may be required by law, or reasonably requested by K-O, for the protection of K-O's title to and interest in the Locomotives.

C&O agrees to permit no liens of any kind to attach to the Locomotives; and that it shall:

- (a) indemnify and save harmless K-O from any and all claims, expenses or liabilities of whatsoever kind; and
- (b) pay any and all taxes, fines, charges and penalties that may accrue or be assessed or imposed upon the Locomotives or K-O,

because of K-O's ownership or because of the use, operation, management or handling of the Locomotives by C&O during the term of this Agreement. C&O's obligations contained in this paragraph shall survive the termination of this Agreement.

C&O shall, at its own expense, keep and maintain the Locomotives in good order and running condition and shall, at its option, repair or replace or promptly pay to K-O the purchase price in cash of those Locomotives which may be damaged or destroyed by any cause during the term of this Agreement.

Prior to the delivery of each Locomotive to C&O under this Agreement, each such Locomotive shall be numbered with a road number as hereinbefore indicated, and

there shall be plainly, distinctly, permanently and conspicuously marked upon each side of each Locomotive, in contemplation of the financing arrangement, as hereinbefore mentioned, the following legend in letters not less than one inch in height:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT  
FILED WITH THE INTERSTATE COMMERCE COMMISSION

C&O hereby agrees to indemnify K-O against any liability, loss or expense incurred by it as a result of the placing of the aforementioned markings on the Locomotives.

In case, during the continuance of this Agreement, such markings shall at any time be removed, defaced or destroyed on any Locomotive, C&O shall immediately cause the same to be restored or replaced.

All or any of the rights, benefits or advantages of K-O, including the right to receive the purchase price of the Locomotive, as provided in the Purchase Agreement, may be assigned by K-O and reassigned by any assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of K-O's warranties, indemnities or any other obligations contained in this Agreement or in the Purchase Agreement. In the event K-O shall assign its rights to receive the payments herein and/or under the Purchase Agreement, and C&O shall receive written notice thereof from K-O, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by C&O under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to C&O.

In the event of any such assignment by K-O of its rights to receive any payments under this Agreement or under the Purchase Agreement, the rights of such assignee to such payments as may be assigned shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of K-O in respect to the Locomotives, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to C&O by K-O. Any and all such obligations, howsoever arising, shall be and

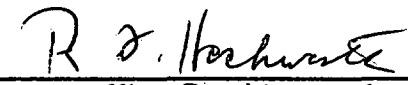
remain enforceable by C&O, its successors and assigns, only against K-O and its successors and assigns (other than assignees of such rights, benefits or advantages assigned pursuant to this Agreement).

C&O agrees with K-O that the execution by K-O of this Agreement or the delivery by K-O to C&O of the Locomotives, as contemplated by this Agreement, shall not relieve C&O of its obligations to accept, take and pay for the Locomotives in accordance with the terms of the Purchase Agreement, or impair any of K-O's rights under said Purchase Agreement.

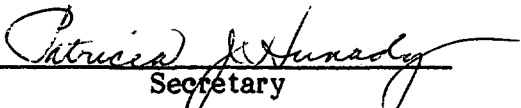
Attest:  
(CORPORATE SEAL)

  
Secretary


KANAWHA-OHIO CORPORATION

By   
Vice-President and  
General Counsel

Attest:  
(CORPORATE SEAL)

  
Secretary

THE CHESAPEAKE AND OHIO  
RAILWAY COMPANY

By   
Assistant Vice-President  
and Treasurer



STATE OF OHIO                     )  
                                          ) SS:  
COUNTY OF CUYAHOGA )

On this 5th day of March, 1981, before me personally appeared L. C. ROIG, JR., to me personally known, who, being by me duly sworn, says that he is Assistant Vice-President and Treasurer of THE CHESAPEAKE AND OHIO RAILWAY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Company, that said instrument was signed and sealed on behalf of said Company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Company.

[NOTARIAL SEAL]

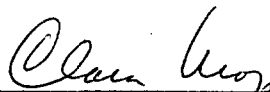
  
\_\_\_\_\_  
Notary Public

CLARA MASUGA, Notary Public  
State of Ohio - Cuyahoga County  
My Commission Expires April 21, 1984

STATE OF OHIO                     )  
                                          ) SS:  
COUNTY OF CUYAHOGA )

On this 5th day of March, 1981, before me personally appeared Robert F. Hochwarth, to me personally known, who, being by me duly sworn, says that he is Vice-President and General Counsel of KANAWHA-OHIO CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

[NOTARIAL SEAL]

  
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Notary Public

CLARA MASUGA, Notary Public  
State of Ohio - Cuyahoga County  
My Commission Expires April 21, 1984